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Comments:

Regulation Z - Truth in Lending [R-1286] We are a small credit union in Michigan (under \$50 million) and started using Multi-Featured Open End Credit a couple years ago to better serve our members. The change was very costly as we had to retrain staff, retrain our members (borrowers), change all of our loan documents, change programing with our data processor, etc. The credit union and its' members are just now starting to enjoy some of the benefits of Open End Lending and we all love it. The main benefit members receive is that after signing the original disclosures, they can obtain loans faster and don't have to come into our office. Depending on the location of their home and/or work, stopping by our office can be a big problem. Some members don't have vacation time to use, live far away, etc. As a small credit union, Open End Lending allows us to reach out to our members that are further away. This is important, as we can't afford to put a branch up everywhere. Open End Lending also allows more competition as borrowers aren't forced to get loans locally and they can shop around more. More competition means better deals for members. If we are now forced to switch back to Closed End Lending we will incurr all of the above expenses again and the member will ultimately pay for that thru higher interest rates on loans and/or lower rates on deposits. Another cost that will need to be absorbed by members is the hiring of more Loan Officers to handle the extra paperwork and loan closings that will be needed. As far as our credit union is concerned there will be no winners if this proposal goes through as written. In short, this change will cost members more money, severely decrease member convenience, and add more stress to everyones life. I just don't see the benefits. Please reconsider the proposal, as there is nothing broken here that needs to be fixed. We are happy, members are happy, and with the problems in the economy (especially in Michigan), adding more cost, more stress, less convenience, and reducing competition doesn't make sense. Respectfully,  
Terry Luptowski - Loan Manager

